



Arnold Schwarzenegger
Governor

September 16, 2010
22:432:gsr:1321

Mr. Tim Rainey, Executive Director
California Labor Federation
600 Grand Avenue, Suite 410
Oakland, CA 94610

Dear Mr. Rainey:

AMERICAN RECOVERY AND REINVESTMENT ACT
25-PERCENT PROJECT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2010-11

This is to inform you of the results of our review for Program Year (PY) 2010-11 of the California Labor Federation's (CLF) administration of its Workforce Investment Act (WIA)/American Recovery and Reinvestment Act (ARRA) 25-Percent Rapid Response Workforce and Economic Development (WED) Project. This review was conducted by Mr. Gregory Ramsey from August 23, 2010 through August 24, 2010. For the program operations portion of the review, we focused primarily on the areas of program administration, WIA activities, monitoring, if applicable, and management information system/reporting. For the financial management portion of the review, we focused primarily on the areas of accounting systems, expenditures, allowable costs, cost allocation, reporting, cost pools, indirect costs, cash management, internal controls, program and interest income, single audit, if applicable, and property management. For the procurement portion of the review, we focused on procurement competition, cost and price analyses, and contract provisions.

We conducted our review under the authority of Sections 667.400(c) and 667.410(b)(1)(2)(3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by CLF with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations, financial management and procurement.

We collected the information for this report through interviews with CLF representatives. In addition, this report includes a review of CLF's response to Sections I and II of the Program On-Site Monitoring Guide; applicable policies and procedures; and a review of documentation retained by CLF for a sample of expenditures and procurements.

BACKGROUND

The CLF was awarded \$966,012 to operate a WIA/ARRA WED Project. For the period ending June 2010, CLF reported that it spent \$797,085.

PROGRAM REVIEW RESULTS

We conclude that, overall, CLF is meeting applicable WIA requirements concerning grant program administration.

FINANCIAL MANAGEMENT REVIEW RESULTS

We conclude that, overall, CLF is meeting applicable WIA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

We conclude that, overall, CLF is meeting applicable WIA requirements concerning procurement.

We are issuing this report as the final monitoring report because this report contains no findings or concerns.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. As you know, it is CLF's responsibility to ensure that its systems, programs, and related activities comply with the WIA, related federal regulations, and applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain CLF's responsibility.

Mr. Tim Rainey


-3-

September 16, 2010

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Cynthia Parsell at (916) 654-1292.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", followed by a stylized circular flourish.

 JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Art Pulaski, Executive Secretary Treasurer
Greg Gibson, MIC 50
Roger Schmitt, MIC 50